		14 October 1953
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SUMMARY

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GENERAL

1.	Soviet Union attempts to capitalize on Trieste disput	<u>e</u> :
25X1A	Security Council try again to set up an international for the Free Territory of Trieste, together with the Soviet note, represents an attempt to capitalize on the hope of thwarting a Trieste settlement and maint of upholding peace treaties.	administration 12 October he dispute in
	The Soviet note did not me and Ambassador Bohlen in Moscow believes that the print a Belgrade TASS dispatch giving Yugoslav read an effort to avoid appearing to support the Yugoslav Soviet maneuver, simultaneous with the Yugoslav printended to create suspicions in Allied quarters regardly logically relations. Yugoslav delegates reportedly to dissuade Vyshinsky from making the proposal at the	Soviet failure to etion represents position. The etest, may be arding Soviet-had attempted
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	3.	Allied officials in Trieste believe Tito not bluffing:
25X1A		Yugoslav fears of Italian irredentism are genuine and Allied officials in Trieste do not underestimate the sincerity of Tito's threat to send troops to Zone A if Italian forces enter that area, according to US political adviser Higgs in Trieste. He believes that Tito might still be willing to negotiate a final solution of the question and accept Italian administration of Zone A, but only if the zone is demilitarized.
		General Winterton, commander of the Allied Military Government in Zone A, believes the chief of the Yugoslav mission in Trieste is seeking to avoid a head-on collision with the Italians after withdrawal of Allied troops.
		Comment: One day before Tito's speech warning that Yugoslav troops would enter Zone A to oppose Italian troops, Assistant Foreign Secretary Bebler told the Turkish ambassador in Belgrade that Yugoslavia was considering such action. Subsequently, Yugoslav officials in Bonn and Rome have stated to US officials that Tito's warning was sincere.
		Thus, in addition to its public threats, the Yugoslav government is making a concerted effort through diplomatic means to convince the West that it will use military force, if necessary, to prevent entry of Italian troops into Zone A.
		Elements of two rifle divisions and one tank division may be in the process of moving toward the Trieste area. There is no confirmation, however, of the entry of reinforce ments into Zone B.
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	4.	Italian intelligence chief minimizes Tito's threats:
25X1Å		General Musco, chief of Italian military intelligence, told the American army attache in Rome on 12 October that he was confident Marshal Tito's threats were meaningless and that there would
		be no Yugoslav retaliation against the entry of Italian troops into Zone A of Trieste.

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Comment: Musco's opinion contrasts with the opinions expressed by American officials in Trieste.

Italian Foreign Ministry officials have suggested that the United States and Britain might wish to retain military facilities in Trieste, apparently in the belief that the presence of Allied troops would act as a deterrent to Yugoslav actions.

FAR EAST

	5.	Chou En-lai favors solving Far Eastern questions separately:
25X1A		Chinese Communist premier Chou En-lai told in Peiping in mid-September that Communist China wishes first to solve the Korean problem and then to discuss the questions of China's admission to the United Nations, Formosa, Indochina, "et cetera."

Comment: The armistice agreement contains an "et cetera" in reference to conference agenda questions which was inserted after the UN Command had refused to include these questions explicitly. Chou's statement again suggests an intention to put forward the questions of China's seat in the UN and the status of Formosa at the Korean political conference.

Chou previously stated that Peiping did not wish to discuss Indochina at the same time as Korean issues. He is making it possible for this subject to be introduced later in the conference or, if the conference atmosphere is unfavorable, to be considered in a separate meeting.

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NEAR EAST - AFRICA

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	6.	Britain asks Iran to consider resumption of diplomatic relations:
25X1A		The British desire that diplomatic relations with Iran be re-established and that ambassadors be exchanged was formally conveyed to the Tehran government on 11 October by the Swiss minister.
		The Iranian foreign minister expressed doubt that public opinion was yet prepared for a resumption of relations and indicated that his government might prefer to wait until some advance toward an oil settlement made the move seem more justified.
		Comment: Britain has been ready to resume diplomatic relations ever since Mossadeq's removal, but has been awaiting an Iranian initiative.
		Prime Minister Zahedi told Ambassador Henderson on 10 October that a resumption of relations prior to an oil settlement would be exploited by the opposition as "proof" that he was controlled by the British and Americans.
		WESTERN EUROPE
	7.	French propose major changes in draft Western note to Moscow:
25X1A		France has unexpectedly proposed that the draft Western reply to the Soviet note of 28 September be amended to deemphasize the references to Germany and Austria and to invite the Soviet Union to discuss other subjects as well.
		The American representative at the tripartite London meeting feels the French version might be interpreted as a Western proposal for talks to include the Indochina question. He further states that Foreign Minister Bidault apparently hopes to use the proposed changes to combat pressure for five-power talks in the French cabinet.
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Comment: While Bidault and Premier Laniel have denied that any decision has been reached, it is apparent that there has been increasing support in the French cabinet for Deputy Premier Reynaud's idea of five-power talks to end the Indochina war.

The French-proposed changes in the draft Western note would probably meet opposition from Chancellor Adenauer, who in the past has insisted that initial agenda items for any four-power talks should be the questions of free German elections and the formation of an all-German government.

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